

Your Committee, to which this proposal was referred, has amended the proposal to read as follows and recommends its adoption as amended:

CITY COUNTY COUNCIL

PROPOSAL NO. 132, 2010

CITY OF INDIANAPOLIS-MARION COUNTY, INDIANA

INTRODUCED: 04/26/2010

REFERRED TO: Rules and Public Policy Committee

SPONSOR: Councillor Speedy

DIGEST: authorizes the issuance and sale of revenue bonds to procure funds to be applied to the costs of the construction, renovation, rehabilitation and installation of improvements to the public ways, including roads, streets, alleys, trails, sidewalks and other public facilities, appropriating the proceeds derived from the sale of such bonds, modifying the amount of payments in lieu of taxes payable by the sanitary district

SOURCE:

Initiated by: Office of the Mayor

Drafted by: Chris W. Cotterill, Chief of Staff

LEGAL REQUIREMENTS FOR ADOPTION:

Published Notice of Public Hearing

Subject to approval or veto by Mayor

PROPOSED EFFECTIVE DATE:

Adoption and approvals

GENERAL COUNSEL APPROVAL: _____



Date: April 21, 2010

CITY-COUNTY SPECIAL ORDINANCE NO. _____, 2010

A PROPOSAL FOR A SPECIAL ORDINANCE authorizing the issuance and sale of revenue bonds of the City of Indianapolis, Indiana, to procure funds to be applied to the costs of the construction, renovation, rehabilitation and installation of improvements to the public ways, including roads, streets, alleys, trails, sidewalks and other public facilities in the city, together with costs and expenses incidental thereto, including costs and expenses in connection with the issuance of the bonds, appropriating the proceeds (together with investment earnings thereon) derived from the sale of such bonds, modifying the amount of payments in lieu of taxes payable by the sanitary district of the City of Indianapolis, Indiana, and establishing the terms and conditions of such payments in lieu of taxes.

Witnesseth that:

WHEREAS, pursuant to Indiana Code 36-9-2-5, the City of Indianapolis, Indiana (hereinafter referred to as the "City"), has previously established and currently maintains and operates public roads and streets;

WHEREAS, the Board of Public Works (hereinafter referred to as the "Board") of the City has filed with the City-County Council of the City (hereinafter referred to as the "Council") its Resolution showing the costs of financing the construction, renovation, rehabilitation and installation of those improvements to the City's public roads and streets and sidewalks and other public facilities (hereinafter collectively referred to as the "Project") finding a need for the issuance of bonds to finance the costs of the Project, presenting the form of a bond ordinance and additional appropriation ordinance, and recommending the issuance of bonds of the City for such purpose to the Council; and

WHEREAS, the Project, the financing by the City of the Project, together with costs and expenses incidental thereto, are necessary and are authorized by Indiana Code 5-1-14-5 and 36-3-4-21 and will be of general benefit to the City and its citizens; and

WHEREAS, the City does not have sufficient funds available or provided for in the existing budgets or tax levies that may be applied to the cost of the Project, together with costs and expenses incidental thereto, including the costs of issuance of the Bonds (as hereinafter defined) and bond anticipation notes of the City (hereinafter referred to as the "BANs"), making it necessary to authorize the issuance of revenue bonds of the City, payable from payments in lieu of taxes paid to the City by the Sanitary District of the City (hereinafter referred to as the "Sanitary District") pursuant to Indiana Code 36-3-2-10, as amended (hereinafter referred to as the "Act"), in excess of Nine Million Dollars (\$9,000,000) annually, which amount is reserved solely for public safety purposes or such other purposes as determined from time to time (as so limited, hereinafter referred to as the "PILOT Revenues") and, if necessary, to provide interim financing for all or a portion of the Project, BANs of the City; and

WHEREAS, an extraordinary emergency and necessity exist for the making of the additional appropriation set out herein; and

WHEREAS, the proceeds of the Bonds and/or BANs have not been included in any regular budget; and

WHEREAS, notice of a hearing on such appropriation has been published as required by law and such public hearing was held on such appropriation at which all taxpayers and interested persons had an opportunity to appear and express their views as to such additional appropriation; and

WHEREAS, Indiana Code 5-1.4, as amended, provides that a "qualified entity," which term includes the City, may issue and sell its bonds or notes to The Indianapolis Local Public Improvement Bond Bank (hereinafter referred to as the "Bond Bank"); and

WHEREAS, the Executive Director of the Bond Bank has expressed a willingness to purchase the Bonds in a negotiated sale subject to approval by the Board of Directors of the Bond Bank, and the Bond Bank may determine to purchase the Bonds with proceeds from the issuance of the Bond Bank's bonds (hereinafter referred to as the "Bond Bank Bonds"), which Bond Bank Bonds may be secured by a debt service reserve fund established by the Bond Bank that will be subject to the provisions of Indiana Code 5-1.4-5, as amended, and Special Ordinance 67,85 of the Council; and

WHEREAS, the City and the Sanitary District own and operate the City's wastewater works and facilities (hereinafter collectively referred to as the "Wastewater Facilities"); and

WHEREAS, the Wastewater Facilities are exempt from property taxation under Indiana Code 6-1.1, as amended; and

WHEREAS, the Act authorizes the City-County Council, by ordinance, to impose payments in lieu of taxes (hereinafter referred to as "PILOT") with respect to the tangible property of the Wastewater Facilities; and

WHEREAS, pursuant to the Act, the appropriate maximum amount of PILOT with respect to the Wastewater Facilities is the amount of property taxes that would be paid if the tangible property constituting the Wastewater Facilities were not exempt from property taxation; and

WHEREAS, the tangible property subject to PILOT payments include both tangible property owned or leased by the Sanitary District (hereinafter collectively referred to as the "Tangible Property"); and

WHEREAS, in accordance with the Act, the Assessor of Marion County, Indiana, is required to assess the Tangible Property in an amount that does not exceed the amount of property taxes that would have been levied by the City-County Council on the Tangible Property if the Tangible Property was not subject to an exemption from property taxation; and

WHEREAS, PILOT received by the City must be deposited in the consolidated county fund, may be used for any purpose that the consolidated county fund may be used, and shall be treated in the same manner as taxes for all purposes of all procedural and substantive provisions of law; and

WHEREAS, the Wastewater Facilities have undergone and are currently undergoing substantial improvements, significantly increasing the assessed value of the Tangible Property; and

WHEREAS, the City-County Council desires to modify the PILOT received on account of the Wastewater Facilities in accordance with the Act and establish the payment dates therefor; and

WHEREAS, the City-County Council desires to express the official intent of the City to reimburse preliminary expenditures from the proceeds of the Bonds pursuant to Indiana Code 5-1-14-6 and Treasury Regulation 1.150-2 promulgated pursuant to the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"); now therefore,

BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA;

SECTION 1. The City is hereby authorized to make a loan, for the purpose of providing funds to be applied to the costs of the Project, together with costs and expenses incidental thereto, and including costs and expenses in connection with the issuance of bonds on account thereof.

SECTION 2. In order to procure this loan, the City is hereby authorized and directed to have prepared and to issue and sell negotiable transportation revenue bonds of the City, to be designated as "City of Indianapolis, Indiana, PILOT Revenue Bonds, Series 2010," in an aggregate principal amount not to exceed ~~One Hundred Eighty Nine Million Dollars (\$189,000,000)~~ One Hundred Seventy Million Dollars (\$170,000,000) (hereinafter referred to as the "Bonds"). The Bonds shall be payable solely from the PILOT Revenues deposited into the Sinking Fund (as hereinafter defined).

The Bonds shall be issued in fully registered form in the denominations of Five Thousand Dollars (\$5,000) or an integral multiple thereof not exceeding the aggregate principal amount of Bonds maturing in any one year. The Bonds shall be numbered consecutively from 10R-1 upwards and shall bear interest at a rate or rates not exceeding eight percent (8%) per annum (the exact rate or rates to be determined by bidding or as provided in the Purchase Agreement (as hereinafter defined)). The maximum permitted interest rate on the Bonds may be reduced as provided in the Controller's Certificate based upon the advice of the Financial Advisor (as such terms are hereinafter defined). Interest on the Bonds shall be payable semiannually on the first day of January and the first day of July of each year (each hereinafter referred to as an "Interest Payment Date") commencing no earlier than July 1, 2010 (and as to be finally determined in the Controller's Certificate). Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year. The Bonds shall mature not more frequently than semiannually on January 1 and July 1 of each year commencing no earlier than January 1, 2011, and ending not later than January 1, 2040, in the years and in the principal amounts set forth in the Controller's Certificate pursuant to Section 24 hereof.

SECTION 3. In anticipation of the issuance and sale of the Bonds authorized herein, and to provide interim financing to apply to the costs of the Project, the City is hereby authorized to have prepared and to issue and sell negotiable BANs of the City to any entity authorized under Indiana Code 5-1-14-5 pursuant to a Bond Anticipation Note Purchase Agreement (hereinafter referred to as the "BAN Purchase Agreement") entered into between the City and the purchaser of the BANs, in a principal amount not to exceed ~~One Hundred Eighty Nine Million Dollars (\$189,000,000)~~ One Hundred Seventy Million Dollars (\$170,000,000), to be designated "City of Indianapolis, Indiana, PILOT Revenue Bond Anticipation Notes, Series 2010." The BANs shall be issued in fully registered form, shall be numbered consecutively from 10R-1 upwards, shall be in multiples of One Dollar (\$1), shall be dated as of the date of issuance of the BANs, and shall bear interest at a rate not exceeding eight percent (8.0%) per annum, payable upon maturity of the BANs. The initial BANs delivered will mature on the date specified in the BAN Purchase Agreement. Each subsequent BAN delivered will bear the same maturity date as the initial BANs. The BANs shall be subject to renewal or extension, subject to the limitations set forth below, at an interest rate not to exceed eight percent (8.0%) per annum with the exact rate to be negotiated with the purchaser of such BANs. The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs.

The BANs are prepayable by the City, in whole or in part, upon the terms and conditions provided in the BAN Purchase Agreement. In the case of prepayment, the principal and accrued interest due on the

BANs shall be paid only from proceeds of the Bonds, when and if issued, except that interest due on the BANs may also be paid from other legally available funds; provided that any such funds are not pledged to the payment of the BANs.

SECTION 4. A registrar and paying agent for the Bonds and the BANs, if any (hereinafter referred to, respectively, as the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"), shall customarily associated with the position of the Registrar and Paying Agent, including without limitation the authentication of the Bonds and the BANs. The City Controller is hereby authorized and directed to enter into such agreements or understandings with the appointed Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and is authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacities, with such fees to be paid from available funds of the City.

As to the BANs, if registered in the name of a purchaser that does not object to such designation, the City Controller shall be designated as the Registrar and Paying Agent and shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The principal of and premium, if any, on the Bonds and the BANs shall be payable at the principal corporate trust office of the Registrar and Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the fifteenth day of the month immediately preceding the Interest Payment Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner. Notwithstanding the foregoing, principal of and premium, if any, and interest on the Bonds shall be paid as to any holder of \$1,000,000 or more in aggregate principal amount of Bonds who so elects, by wire transfer to such wire transfer address within the continental United States as the registered holder shall have furnished to the Registrar and Paying Agent in writing on or before the fifteenth (15th) day of the month immediately prior to an Interest Payment Date. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

The Bonds and the BANs may, in compliance with all applicable laws, be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (hereinafter referred to as the "Clearing Agency"). The City and Registrar may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds or the BANs, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds or the BANs are held in book-entry form on the books of a Clearing Agency (1) any such Bond or BAN may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of the Depository Trust Company; (2) the Clearing Agency in whose name such Bond or BAN is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond or BAN, respectively, for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest on such Bond or BAN, the receiving of notice and giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond or BAN, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or BAN or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest on any Bonds or BANs, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond or BAN called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption; and (5) payment of the principal of and interest on the Bonds and the BANs shall be made by wire transfer or other method acceptable to the Clearing Agency, as indicated in the Controller's Certificate.

If either (i) the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds or the BANs to the effect that such Clearing Agency is unable or unwilling to discharge its

responsibility as a Clearing Agency for the Bonds or BANs or (ii) the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds or BANs, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds or the BAN, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds or the BANs and to transfer the ownership of each of the Bonds or the BANs to such person or persons, including any other Clearing Agency, as the holder of the Bonds or the BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds or the BANs, shall be paid by the City.

During any time that the Bonds or the BANs are held in book-entry form on the books of a Clearing Agency, the Registrar and Paying Agent shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owners of the Bonds or the BANs as of a record date selected by the Registrar and Paying Agent. For purposes of determining whether the consent, advice, direction or demand of a Registered Owner of the Bond or BAN has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds or the BANs as the Bondholders or BAN holders, respectively.

During any time that the Bonds or the BANs are held in book-entry form on the books of a Clearing Agency, either the City Controller or the Registrar may enter into a Letter of Representations agreement with the Clearing Agency, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth herein.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days' written notice to the City and by first-class mail to each registered owner of Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or be sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall cause each registered owner of Bonds then outstanding to be notified by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar and Paying Agent.

Any predecessor Registrar and Paying Agent shall deliver all of the Bonds and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The Mayor of the City (hereinafter referred to as the "Mayor") and the City Controller are hereby authorized to act on behalf of the City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent. In addition, the Mayor and the City Controller are hereby authorized and directed, on behalf of the City, to enter into such agreements or understandings with any subsequent Registrar and Paying Agent as will enable it to perform the services required of it. Any such subsequent Registrar and Paying Agent shall be paid for its services out of available funds of the City.

SECTION 5. The Bonds shall bear an original date which shall be specified in the Controller's Certificate, and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth day of the month preceding the first Interest Payment Date, shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond unless the Bond is authenticated after the fifteenth day of the month preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

SECTION 6. (a) All or a portion of the Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (hereinafter referred to as the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities of not more frequently than January 1 and July 1 of the years as provided in the Controller's Certificate.

Such Term Bonds, if any, shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on not more frequently than January 1 and July 1 of each year and in the principal amounts consistent with the principal maturities set forth in the Controller's Certificate.

The Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity any Bonds of such maturity purchased for cancellation by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond so purchased shall be credited by the Registrar at 100% of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly; provided, however, the Registrar and Paying Agent shall only credit Bonds against the mandatory sinking fund requirements to the extent such Bonds are received on or before forty-five (45) days preceding the applicable mandatory sinking fund redemption date.

The Registrar shall determine by lot (treating each \$5,000 principal amount of each Bond as a separate Bond for such purpose) the Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on not more frequently than January 1 and July 1 of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in Section 6(b) of this Ordinance.

In the event any of the Bonds are issued as Term Bonds, the form of the Bond set forth in Section 9 of this Ordinance shall be modified accordingly.

Any reference to payment or maturity of principal on Bonds shall be deemed to include payment of scheduled mandatory sinking fund redemption payments described in this Section 6(a).

(b) The City Controller, based upon the advice of the financial advisor to the City (hereinafter referred to as the "Financial Advisor"), shall certify in the Controller's Certificate the terms upon which the Bonds shall be subject to redemption at the option of the City, which redemption may be in whole or in part, upon thirty (30) days written notice to the registered owner or owners of the Bonds to be redeemed, in amounts and maturities to be determined by the City and by lot within any such maturity or maturities, and at a redemption price expressed as a percentage of the principal amount of each Bond to be redeemed in accordance with the Controller's Certificate, plus accrued interest to the date of redemption.

Notice of such redemption shall be sent by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar. The notice shall specify the date and place of redemption, and the registration numbers of the Bonds called for redemption. The place of redemption may be at the principal corporate trust office of the Registrar or as otherwise determined by the City. Interest on the Bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the City, notice described in paragraph (i) below given by the Registrar to the parties described in paragraphs (ii) and (iii) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

- (i) If so directed by the City, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being

redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

- (ii) If so directed by the City, each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.
- (iii) If so directed by the City, each such further notice shall be published one time in The Bond Buyer of New York, New York or, if the Registrar believes such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

Upon the payment of the redemption price of the Bonds being redeemed and if so directed by the City, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

SECTION 7. Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar and Paying Agent, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Bond, together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The Bonds may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Bonds during the period of fifteen days immediately preceding an Interest Payment Date or to make any exchange or transfer of a Bond after notice calling such Bond has been mailed.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal, premium or interest on any Bond shall be made duly to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Registrar and Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar and Paying Agent may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the City and the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Registrar and Paying Agent evidence of

such loss, theft or destruction satisfactory to the City and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the City and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar and Paying Agent may charge the owner of such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder. In the event that any Bond is not presented for payment or redemption on the date established therefor, the City may deposit in trust with the Paying Agent an amount sufficient to pay such Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Bond shall look only to the funds so deposited in trust with the Paying Agent for payment, and the City shall have no further obligation or liability with respect thereto.

SECTION 8. The Bonds and the BANs, if any, shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the City Controller, who shall cause the official seal of the City to be impressed or a facsimile thereof to be printed or otherwise reproduced on each of the Bonds and BANs. In the event that any officer whose signature appears on any Bond or BAN shall cease to be such officer for any reason before the delivery of such Bond or BAN, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had been in such office at the time of delivery. Subject to the provisions for registration set forth in this Ordinance, the Bonds and the BANs shall be negotiable under the laws of the State of Indiana.

The Bonds and the BANs shall be authenticated with the manual signature of a duly authorized representative of the Registrar and Paying Agent, and no Bond shall be valid or obligatory for any purpose until the certificate of authentication on such Bond or BAN shall have been so executed.

SECTION 9. The form and tenor of the Bonds shall be substantially as follows (all blanks to be properly completed prior to the preparation of the Bonds):

[Form of Face of Bond]

UNITED STATES OF AMERICA

State of Indiana

County of Marion

No. 10R-__

\$_____

City of Indianapolis, Indiana
PILOT Revenue Bond, Series 2010

MATURITY <u>DATE</u>	ORIGINAL <u>DATE</u>	AUTHENTICATION <u>DATE</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL SUM:

The City of Indianapolis, in Marion County, Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above on the Maturity Date specified above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment

date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (except if this bond is authenticated after the fifteenth day of June or December and on or before the succeeding interest payment date, it shall bear interest from such interest payment date and except if this bond is authenticated on or before _____ 15, 2010, it shall bear interest from the Original Date specified above), with such interest payable semiannually on January 1 and July 1 of each year, commencing _____ 1, 201____.

The principal of and premium, if any, on this bond is payable at the principal corporate trust office of _____, in the City of _____, _____, or of any successor registrar and paying agent appointed under the Ordinance hereinafter mentioned (the "Registrar and Paying Agent"). Interest hereon will be paid by cash or draft mailed or delivered by the Registrar and Paying Agent to the Registered Owner hereof at the address as it appears on the registration books of the Registrar and Paying Agent as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Registrar and Paying Agent in writing by such Registered Owner. Notwithstanding the foregoing, principal of and premium, if any, and interest on the Bonds shall be paid as to any holder of \$1,000,000 or more in aggregate principal amount of Bonds who so elects, by wire transfer to such wire transfer address within the continental United States as the registered holder shall have furnished to the Registrar and Paying Agent in writing on or before the fifteenth (15th) day of the month immediately prior to an Interest Payment Date. All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

[The Bonds shall initially be issued and held in book-entry form on the books of DTC, its successors or any successor central depository system appointed by the City from time to time. Notwithstanding anything to the contrary in this bond, if payment of principal and interest is made to DTC or another clearing agency, payment shall be made by wire transfer on the payment date in same-day funds. The City and the Registrar and Paying Agent may, in connection therewith, do or perform or cause to be done or performed any acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.]

This bond and the other bonds of this issue, together with the interest payable hereon and thereon, is payable solely from and secured by an irrevocable pledge of and constitutes a first charge upon all payments in lieu of taxes made by the Sanitary District of the City to the City in excess of Nine Million Dollars (\$9,000,000) annually, which amount is reserved for public safety purposes solely (as so limited, the "PILOT Revenues") pursuant to Indiana Code 36-2-3-10 and 36-2-3-11, respectively, and the laws amendatory thereof and supplemental thereto (collectively, the "Act"), deposited into the Sinking Fund (as hereinafter described). The City irrevocably pledges all PILOT Revenues deposited into the Sinking Fund to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the Ordinance, including this bond, and any bonds hereafter issued on a parity herewith.

This bond is one of an authorized issue of bonds of the City, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of _____ Dollars (\$_____), numbered consecutively from 10R-1 upwards, issued for the purpose of providing funds to pay the cost of certain improvements to the public roads and streets of the City, together with all expenses necessarily incurred therewith, [including the funding of a reserve for the payment of the principal of and interest on such bonds, and] including the costs incurred in connection with the issuance of such bonds, as authorized by an Ordinance No. _____, adopted by the City-County Council of the City on _____, 2010, entitled "A PROPOSAL FOR A SPECIAL ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE CITY OF INDIANAPOLIS, INDIANA, TO PROCURE FUNDS TO BE APPLIED TO THE COSTS OF THE CONSTRUCTION, RENOVATION, REHABILITATION AND INSTALLATION OF IMPROVEMENTS TO THE PUBLIC ROADS AND STREETS IN THE CITY, TOGETHER WITH COSTS AND EXPENSES INCIDENTAL THERETO, INCLUDING COSTS AND EXPENSES IN CONNECTION WITH THE ISSUANCE OF THE BONDS" (the "Ordinance") and the Indiana Code.

This bond is issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing in any one year.

The City covenants that it will set aside and pay into the Sinking Fund a sufficient amount of the PILOT Revenues to meet (a) the interest on all bonds payable from such fund as such interest shall fall due, (b) the necessary fiscal agency charges for paying the principal of and interest on all bonds, (c) the principal of all bonds payable from such fund as such principal shall fall due, [and (d) an additional amount as a margin of safety, which margin shall equal the Debt Service Reserve Requirement (as defined in the Ordinance)].

[The bonds of this issue maturing on or after _____ 1, 20____, are subject to redemption prior to maturity, at the option of the City, in whole or in part, on _____ 1, 20____, or at any time thereafter, in amounts and maturities determined by the City and by lot within any such maturity or maturities at a redemption price of 100% of the principal amount thereof and without premium, plus accrued interest to the date of redemption.]

Notice of such redemption shall be sent by registered or certified mail to the Registered Owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner. The place of redemption may be determined by the City. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date or when presented for payment.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Registrar and Paying Agent an amount sufficient to pay such bond or the redemption price, as appropriate, and thereafter the Registered Owner shall look only to the funds so deposited in trust with the Registrar and Paying Agent for payment, and the City shall have no further obligation or liability with respect thereto.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of the issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar and Paying Agent by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond, together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or to the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be obligated to make any exchange or transfer of this bond (i) during the fifteen (15) days immediately preceding an interest payment date on this bond or (ii) after the mailing of any notice calling this bond for redemption. The City and the Registrar and Paying Agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and the premium, if any, and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured or been called for redemption, instead of causing to be issued a duplicate bond, the City and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. In such event, the City and the Registrar and Paying Agent may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the City, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled

to all the benefits of the Ordinance, equally and proportionately with any and all other bonds duly issued thereunder.

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the City and of the owners of the bonds of this issue may (with certain exceptions as stated in the Ordinance) be modified or amended with the consent of the owners of at least sixty percent (60%) in aggregate principal amount of outstanding bonds of this issue exclusive of bonds, if any, owned by the City. Additional bonds ranking on a parity with the bonds authorized by the Ordinance and other bonds, junior to the bonds authorized by the Ordinance, can be issued in accordance with the terms of the Ordinance.

The bonds authorized and issued pursuant to the Ordinance, including this bond, are subject to defeasance prior to redemption or payment as provided in the Ordinance, and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

The City and the Registrar and Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the premium, if any, and interest due hereon and for all other purposes, and neither the City nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by a duly authorized representative of the Registrar and Paying Agent.

The City hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the City of Indianapolis, in Marion County, State of Indiana, by ordinance of its Council, has caused this bond to be executed in its corporate name and on its behalf by the manual or facsimile signature of its duly elected, qualified and acting Mayor, and attested by the manual or facsimile signature of its duly appointed, qualified and acting Controller, who has caused the official corporate seal of the City to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon, all as of the Original Date shown above.

THE CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor

(SEAL)

ATTEST:

Controller

CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Indianapolis, Indiana, PILOT Revenue Bonds, Series 2010, issued and delivered pursuant to the provision of the within-mentioned ordinance.

_____,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.
Signature Guarantee:

Notice: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

(End of Bond Form)

SECTION 10. (i) The City Controller is hereby authorized to elect in his sole discretion to sell the Bonds at public sale pursuant to Section 10(ii) of this Ordinance or to The Indianapolis Local Public Improvement Bond Bank (hereinafter referred to as the "Bond Bank") pursuant to Indiana Code 5-1.4 and Section 10(iii) of this Ordinance. Upon the determination of the City Controller to sell the Bonds to the Bond Bank, the Mayor and the City Controller of the City are authorized to enter into a Qualified Entity Purchase Agreement with the Bond Bank (hereinafter referred to as the "Purchase Agreement").

The City Controller is hereby authorized to obtain a legal opinion, prior to the delivery of the Bonds, as to the validity of the Bonds from counsel with expertise regarding the issuance of tax-exempt governmental obligations, and to furnish such opinion to the purchaser or purchasers of the Bonds. The cost of such opinion shall be considered as part of the costs incidental to these proceedings and shall be paid out of proceeds of the Bonds.

(b) The provisions of this Section 10(b) shall govern the sale of Bonds if the City Controller determines to sell the Bonds by public sale. Prior to the sale of the Bonds, the City Controller, on behalf of the Board, shall cause to be published a notice of intent to sell once each week for two (2) weeks in The Indianapolis Star, and the Court & Commercial Record. The notice of such sale or a summary thereof may also be published in The Bond Buyer, a financial journal published in the City and State of New York, and/or in other publications in the discretion of the City Controller. The notice must state that any person interested in submitting a bid for the Bonds may furnish in writing at the address set forth in the notice, the person's name, address and telephone number, and that any such person may also furnish a telex number. The notice must also state: (1) the amount of the Bonds to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; (6) the time within which the name, address and telephone number must be furnished, which must not be less than seven days after the last publication of the notice of intent to sell; and (7) such other matters as the City Controller shall deem appropriate. Each person so registered shall be notified of the date and time bids will be received, not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number.

All bids for Bonds shall be sealed and shall be presented to the City Controller at his office, and the City Controller shall continue to receive all bids offered until the hour named on the day fixed for the sale of the Bonds, at which time and place he shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinabove fixed. The interest rate or rates shall be in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds of a given maturity must be at least as great as the interest

rate on Bonds of any earlier maturity. Subject to provisions contained below, the City Controller shall award the Bonds to the bidder offering the lowest interest cost, to be determined by computing the total interest on all of the Bonds from the date thereof to the date of their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of the discount, if any. No bid for less than ninety-seven percent (97%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds as the City Controller, with the advice of the Financial Advisor, shall determine prior to publication of the notice of intent to sell), plus accrued interest at the rate or rates named to the date of delivery, shall be considered. The City Controller shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds, then the sale may be continued from day-to-day for a period not to exceed thirty (30) days without readvertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for the sale.

(c) The provisions of this Section 10(c) shall govern the sale of the Bonds if the City Controller determines to sell the Bonds to the Bond Bank pursuant to this Ordinance. In the event of such determination, the Bonds shall be sold to the Bond Bank in such denomination or denominations as the Bond Bank may request, pursuant to a Purchase Agreement between the City and the Bond Bank, hereby authorized to be applied for, entered into and executed by the Mayor and City Controller, on behalf of the City, upon such determination by the City Controller subsequent to the date of the adoption of this Ordinance. Such Purchase Agreement may set forth the definitive terms and conditions for such sale including the purchase price and interest rate or rates, but all of such terms and conditions must be consistent with the terms and conditions of the Ordinance, including, without limitation, the interest rate or rates on the Bonds which shall not exceed the maximum authorized rates of interest for the Bonds pursuant to this Ordinance. Bonds sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to Indiana Code 5-1.4 and the Purchase Agreement, including, without limitation, an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Bond Bank, challenging the validity or issuance of the Bonds. In the event the City Controller determines to sell the Bonds to the Bond Bank, the entry by the City into the Purchase Agreement and the execution of the Purchase Agreement on behalf of the City by the Mayor and Controller of the City in accordance with this Ordinance are hereby authorized, approved and ratified. The Council hereby acknowledges that the Bond Bank Bonds may be supported by a debt service reserve fund established by the Bond Bank that will be subject to the provisions of Indiana Code 5-1.4-5, as amended, and Special Ordinance 67,85 of the Council.

SECTION 11. The Mayor is hereby authorized to execute the Bonds and the BANs with his manual or facsimile signature and the City Controller is hereby authorized and directed to have such Bonds and BANs prepared, and is hereby authorized and directed to attest the Bonds and the BANs with his manual or facsimile signature and to affix or cause to be affixed the seal of the City or a facsimile thereof to the Bonds and the BANs. After the Bonds or the BANs have been properly executed, the Bonds or the BANs shall be delivered to the purchaser or purchasers in the manner provided by law.

SECTION 12. Upon the advice of the financial advisor to the City, any series of the Bonds may be issued as (a) "Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), or (b) "Recovery Zone Economic Development Bonds" pursuant to Section 1400U-2 of the Code. The Council authorizes the Mayor to determine whether to issue a series of Bonds as "Build America Bonds" or "Recovery Zone Economic Development Bonds" as described above, based on the advice of the financial advisor of the City, with any such determination to be reflected in a certificate of the Mayor prior to the sale of such series of the Bonds.

SECTION 13. The Council hereby requests, authorizes and directs the Mayor and the City Controller and each of them, for and on behalf of the City, to prepare, execute and deliver any and all other instruments, letters, certificates, agreements and documents as are determined to be necessary or appropriate to consummate the transactions contemplated by this Ordinance, and such determination shall be conclusively evidenced by the execution thereof. The instruments, letters, certificates, agreements, and documents, including the Bonds and the BANs, necessary or appropriate to consummate the transactions contemplated by this Ordinance shall, upon execution, as contemplated herein, constitute the valid and binding obligations or representations and warranties of the City, the full performance and satisfaction of which by the City is hereby authorized and directed.

SECTION 14. The Bonds, when fully paid for and delivered to the purchaser or purchasers, and any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be valid and binding special revenue obligations of the City, payable solely out of the PILOT Revenues paid to the City deposited and set aside into the Sinking Fund, as hereinafter provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for application by the City solely to the payment of the costs of the Project, except as otherwise provided in Section 15 of this Ordinance, together with costs and expenses incidental thereto, including costs and expenses in connection with the issuance of the Bonds, as provided herein.

SECTION 15. The PILOT Revenues distributed to the City pursuant to the Act shall be used and applied by the City only as provided in this Ordinance and in strict accordance with the provisions of the Act. All of such revenues shall be segregated and kept in special accounts separate and apart from all other funds of the City and shall be used and applied in payment of bonds and interest thereon which by their terms are payable from such revenues and to maintain a reasonable reserve, in accordance with this Ordinance. The PILOT Account is hereby designated and constituted as the fund for the payment of the interest on and principal of the Bonds. Such fund shall be continued until all of the Bonds have been paid. The PILOT Account shall consist of (i) a Bond Principal and Interest Account and a Reserve Account (which two accounts together hereinafter shall be referred to as the "Sinking Fund" and both of which accounts the City hereby covenants and agrees to cause to be kept and maintained so long as needed for the purposes set forth herein), and (ii) an Excess Account. All of the PILOT Revenues distributed to the City pursuant to the Act shall be set aside in the following accounts in the following order of priority and to the extent indicated below:

- (1) Bond Principal and Interest Account;
- (2) Reserve Account; and
- (3) Excess Account.

(a) Bond Principal and Interest Account. As soon as possible upon receipt by the City of its semiannual PILOT Revenue payment (each, a "Payment"), but in any event not later than the last day of June and December, there shall be set aside and paid into the Bond Principal and Interest Account a sufficient amount for the payment of (a) with respect to the interest on the Bonds as such interest shall fall due on the next Interest Payment Date, (b) the necessary fiscal agency charges for paying the principal of and interest on the Bonds due on the next Interest Payment Date, and (c) one half (1/2) of the principal of the Bonds payable on the next principal payment date. Such deposits shall continue until such time as the Bond Principal and Interest Account shall contain an amount sufficient to pay all of the Bonds then outstanding, together with the interest thereon to the dates of maturity thereof.

(b) Reserve Account. On the last day of each calendar month, there shall be credited from available PILOT Revenues to the Reserve Account created hereby in amounts sufficient to produce, in equal monthly installments over a sixty (60) month period (commencing upon the date of delivery of the Bonds), an amount equal to the least of (i) the maximum annual debt service on all outstanding Bonds, (ii) one hundred twenty-five percent (125%) of the average annual debt service on all outstanding Bonds, or (iii) ten percent (10%) of the proceeds of the Bonds (hereinafter referred to as the "Debt Service Reserve Requirement"); provided, however, that the City Controller, with the advice of the Financial Advisor, may elect to satisfy all or a portion of the Debt Service Reserve Requirement on the date of delivery of the Bonds from Bond proceeds or other available funds of the City. In addition, the Debt Service Reserve Requirement may be satisfied with cash, a debt service reserve surety bond or a combination thereof. Such credits to the Reserve Account shall continue until the balance therein shall equal the Debt Service Reserve Requirement. The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Bonds (and any other parity bonds of the City payable from the PILOT Revenues hereafter issued so long as the Debt Service Reserve Requirement has been increased proportionately), and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds (and any parity bonds thereof) to the extent that moneys in the Bond Principal and Interest Account are insufficient for that purpose. The Reserve Requirement may be satisfied and held, in whole or in part, by the Bond Bank pursuant to the terms of the indenture authorizing the issuance of the Bond Bank Bonds, and such amounts shall be deemed to be

amounts held in the Reserve Account hereby established. Any deficiencies in credits to the Reserve Account shall be promptly made up from the next available PILOT Revenues remaining after credits into the Bond Principal and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond Principal and Interest Account to pay principal and interest on bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available PILOT Revenues after the credits into the Bond Principal and Interest Account hereinbefore provided for. Any moneys in the Reserve Account in excess of the Debt Service Reserve Requirement shall be transferred to the Excess Account, and in no event shall such excess moneys be held in the Reserve Account. Funds employed to meet the Debt Service Reserve Requirement, to the extent allocable to the Bonds, shall be invested by the City Controller in accordance with Section 18 of this Ordinance.

(c) Excess Account. Any remaining PILOT Revenues distributed to the City pursuant to the Act shall be deemed excess funds and shall be deposited in the Excess Account for appropriation and use as permitted by law. In the event of any deficiency at any time in the Bond Principal and Interest Account for the purposes of paying the interest on or principal of bonds, which by their terms are payable from PILOT Revenues in the Sinking Fund, funds may be withdrawn from the Excess Account for deposit into such Bond Principal and Interest Account in the amount of such deficiency.

All funds in such accounts shall be segregated and kept separate and apart from all other funds of the City and shall be deposited in lawful depositories of the City and continuously held and secured or invested as provided by law. Interest earned in each such account shall be credited to such account, except that the amount of funds in the Reserve Account shall not exceed the Debt Service Reserve Requirement, and any such excess shall be deposited into the Excess Account.

SECTION 16. Any accrued interest and premium received at the time of the delivery of the Bonds shall be deposited into the Bond Principal and Interest Account. Proceeds of the Bonds or any debt service reserve fund surety bond, if any, to be deposited in the Reserve Account shall be so deposited upon receipt of such proceeds or debt service reserve fund surety bond. Any remaining proceeds from the sale of the Bonds shall be deposited in a special fund to be designated as the "2010 City of Indianapolis Road and Street Project Construction Fund" (hereinafter referred to as the "2010 Construction Fund"). Such fund shall be deposited with a legally qualified depository or depositories for funds of the City as provided by law and shall be segregated and kept separate and apart from all other funds of the City and may be invested as permitted by law. The money in the 2010 Construction Fund shall be expended only for the purpose of paying the costs of the Project together with costs and expenses in connection with the issuance of the Bonds. Any balances in the 2010 Construction Fund after the completion of the Project which are not required to meet unpaid obligations incurred in connection with the acquisition, construction, renovation, rehabilitation and installation of the Project together with costs and expenses in connection with the issuance of the Bonds, shall be applied in accordance with Indiana Code 5-1-13.

SECTION 17. The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds for the uses and purposes herein set forth, and the registered owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance. The provisions of this Ordinance shall also be construed to create a trust in the PILOT Revenues distributed to the City pursuant to the Act herein directed to be set apart and paid into the Sinking Fund for purposes of such fund as in this Ordinance set forth.

SECTION 18. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms and the whole amount of the principal of and premium, if any, and interest so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, then and in such event the Bonds or such portion thereof shall no longer be deemed outstanding or entitled to the pledge of the PILOT Revenues distributed to the City pursuant to the Act deposited into the Sinking Fund.

SECTION 19. In order to preserve the excludability from gross income of interest on the Bonds under federal law, the City represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the City or any other governmental unit (hereinafter referred to as "Governmental Unit") within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Internal Revenue Code of 1986, as amended, and as in effect on the date of delivery of the Bonds (hereinafter referred to as the "Code"), will use more than ten percent (10%) of the proceeds of the Bonds or property financed by such proceeds other than as a member of the general public. No person or entity or any combination thereof other than the City or any other Governmental Unit will own property financed by more than ten percent (10%) of the proceeds of the Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use of such property by the public at large, except pursuant to a management or similar contract which satisfies the requirements of IRS Revenue Procedure 97-13;

(b) No Bond proceeds will be lent to any entity or person. No Bond proceeds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of such Bond proceeds;

(c) The City will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103(a) of the Code, and the Council will not act in any manner or permit any actions by officers or officials of the City that would adversely affect such excludability. The City further covenants that it will keep full, complete and accurate records of all investment income and other earnings on the amounts held in the funds and accounts created or referred to in this Ordinance and will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and regulations applicable thereto as in effect on the date of delivery of the Bonds. The City shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable;

(d) All officers, employees and agents of the City are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the City as of the date that the Bonds are issued, and to make covenants on behalf of the City evidencing the City's commitments made herein. In particular, any and all appropriate officers, employees and agents of the City are authorized to certify and/or enter into covenants for the City regarding (i) the facts and circumstances and reasonable expectations of the City on the date that the Bonds are issued and (ii) the representations and covenants made herein by the City regarding the amount and use of the proceeds of the Bonds; and

(e) The City Controller is hereby authorized and directed to employ consultants and attorneys from time to time to advise the City with respect to the requirements under federal law for the continuing preservation of the excludability of interest on the Bonds from gross income for purposes of federal income taxation.

SECTION 20. Notwithstanding any other provisions of this Ordinance, any of the covenants and authorizations contained in this Ordinance (hereinafter referred to as the "Tax Sections") which are designed to preserve the excludability of interest on the Bonds from gross income for purposes of federal income taxation (hereinafter referred to as the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 21. The Council may, without the consent of, or notice to, any of the owners of the Bonds, adopt a supplemental ordinance for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Ordinance;

(b) To grant to or confer upon the owners of the Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds, or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds;

(c) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America;

(d) To provide for the refunding or advance refunding of the Bonds;

(e) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the Bonds; and

(f) Any other purpose which does not adversely impact the interests of the owners of the Bonds.

SECTION 22. This Ordinance, and the rights and obligations of the City and the owners of the Bonds may be modified or amended at any time by supplemental ordinances adopted by the Council with the consent of the owners of the Bonds holding at least sixty percent (60%) in aggregate principal amount of the outstanding Bonds (exclusive of Bonds, if any, owned by the City); provided, however, that no such modification or amendment shall, without the express consent of the owners of the Bonds affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date, extend its maturity or the times for paying interest thereon, permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds, create a lien securing any Bonds other than a lien ratably securing all of the Bonds outstanding, or change the monetary medium in which principal and interest are payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification to this Ordinance.

Any act done pursuant to a modification or amendment so consented to shall be binding upon all the owners of the Bonds and shall not be deemed an infringement of any of the provisions of this Ordinance or of the Indiana Code, and may be done and performed as fully and freely as if expressly permitted by the terms of this Ordinance, and after such consent relating to such specified matters has been given, no owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Council or any officer thereof from taking any action pursuant thereto.

If the Council shall desire to obtain any such consent, it shall cause the Registrar and Paying Agent to mail a notice, postage prepaid, to the respective owners of the Bonds at their addresses appearing on the registration books held by the Registrar and Paying Agent. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar and Paying Agent for inspection by all owners of the Bonds. The Registrar and Paying Agent shall not, however, be subject to any liability to any owners of the Bonds by reason of its failure to mail the notice described in this Section 21, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as provided in this Section 21.

Whenever at any time within one year after the date of the mailing of such notice, the Council shall receive an instrument or instruments purporting to be executed by the owners of the Bonds of not less than sixty percent (60%) in aggregate principal amount of the Bonds then outstanding (exclusive of Bonds, if any, owned by the City), which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar and Paying Agent, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the Bonds, whether or not such owner shall have consented thereto.

Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section 21, this Ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

SECTION 23. All of the PILOT Revenues distributed to the City pursuant to the Act deposited into the Sinking Fund shall be and are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and any other bonds hereafter issued on a parity therewith. So long as the Council has the authority to establish the amount of the PILOT Revenues, the City covenants and agrees that it will establish and maintain sufficient PILOT Revenues to comply with and satisfy all covenants contained in this Ordinance and for the payment of the sums required to be paid into the Sinking Fund by this Ordinance.

SECTION 24. The City reserves the right to authorize and issue additional bonds, payable out of the PILOT Revenues, ranking on a parity with the Bonds, for the purpose of financing the cost of additional projects. In the event any parity bonds are issued pursuant to this Section 23, the term "Bonds" in this Ordinance shall, unless the context otherwise requires, be deemed to refer to the Bonds and such parity bonds and other changes may be made herein as required to reflect the issuance of such parity bonds. The authorization and issuance of parity bonds shall be subject to the following conditions precedent:

(a) All interest and principal payments with respect to all bonds payable from amounts that the City receives from the PILOT Revenues shall have been paid in accordance with their terms.

(b) All required deposits into the Bond Principal and Interest Account and the Reserve Account, if any, shall have been made in accordance with the provisions of this Ordinance.

(c) Either: (1) the PILOT Revenues distributed to the City pursuant to the Act in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all the then outstanding bonds payable from amounts that the City receives from the PILOT Revenues and the additional parity bonds proposed to be issued; or (2) the PILOT Revenues distributed to the City pursuant to the Act for the first full fiscal year immediately succeeding the issuance of any such bonds ranking on a parity with the Bonds shall be projected by a certified public accountant to be at least equal to one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all the then outstanding bonds payable from amounts that the City receives from the PILOT Revenues and the additional parity bonds proposed to be issued.

For purposes of this subsection, the records of the City shall be analyzed and all showings prepared by a certified public accountant or independent financial adviser employed by the City for that purpose.

(d) The interest on the additional parity bonds shall be payable semiannually on the first day of January and July in the years in which interest is payable and the principal of the additional parity bonds shall be payable on the same dates as the bonds in the years in which principal is payable.

Except as otherwise provided in this Section 23, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the PILOT Revenues distributed to the City pursuant to the Act shall be authorized, executed or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed and retired coincidentally with the delivery of such additional bonds or other obligations, or as provided in Section 17 hereof, funds sufficient to effect such redemption are available and set aside for that purpose at the time of issuance of such additional bonds.

SECTION 25. The City Controller shall, prior to the sale of the Bonds, set forth in a certificate (the "Controller's Certificate") the first interest payment date for the Bonds, the amount and maturities of the Bonds, the percentage of par at which the Bonds shall be sold and any other matters required by this Ordinance to be provided in the Controller's Certificate.

If the Bonds are sold by public sale, the Bonds shall be offered and sold pursuant to an Official Statement with respect to the Bonds (hereinafter referred to as the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (hereinafter referred to as the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Council hereby authorizes the Mayor or the City Controller

(a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City; (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement with respect to the Bonds, subject to completion as permitted by and otherwise pursuant to the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Mayor or the City Controller are further authorized to execute an agreement in connection with the offering of the Bonds in accordance with the Rule by which the City agrees to undertake such continuing disclosure obligations as may be required under the Rule.

The City Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor and the City Controller are hereby authorized and directed to execute or cause the execution of the Bonds in the form and manner substantially hereinbefore provided. Temporary Bonds in typed or other form may be delivered to the original purchaser thereof pending preparation of the definitive Bonds.

SECTION 26. In the event it shall be hereafter determined that, in order to insure that the constitutional limitation on the indebtedness of the City is not exceeded, it is necessary to reduce the amount of the Bonds authorized by this Ordinance, the City Controller shall be authorized to sell and deliver a lesser amount of the Bonds than herein authorized, and the Bonds not issued and sold shall be the Bonds of the latest maturity or maturities.

SECTION 27. The proceeds derived from the sale of the Bonds, together with investment earnings thereon, shall be and the same are hereby appropriated to provide the financing for any or all or any portion of the costs of the Project, together with costs and expenses incidental thereto, including costs and expenses in connection with the issuance of the bonds. The financing of the Project, together with costs and expenses incidental thereto, including costs and expenses in connection with the issuance of bonds to provide therefor, is being undertaken pursuant to the recommendation of the Board of Public Works of the City. Such appropriation shall be in addition to all appropriations provided for in the existing budget and levy, and shall continue in effect until the payment of the costs of the Project, together with costs and expenses incidental thereto, including costs and expenses in connection with the issuance of bonds to provide therefor. Any surplus of such proceeds shall be credited to the proper fund as required by law. A certified copy of this Ordinance shall be filed by the City Controller with the Indiana Department of Local Government Finance in accordance with Indiana Code 6-1.1-18-5.

SECTION 28. The Council hereby finds that the amount of PILOT currently paid by the Sanitary District with respect to the Wastewater Facilities is less than the amount that would have been levied against the Tangible Property if the Tangible Property were not exempt from property taxation. The Council further finds that, based on expected continued improvements to the Wastewater Facilities through calendar year 2022, annual increases to the amount of PILOT should be implemented. Therefore, effective for calendar year 2010 through and including calendar year 2039, the amount of PILOT to be paid annually by the District, which amount shall continue to be paid annually through calendar year 2039, shall be in the amounts provided in Exhibit A attached hereto and made a part hereof (the amounts to be paid include the Nine Million Dollars (\$9,000,000) of PILOT to be paid pursuant to City-County Council Fiscal Ordinance No. 35, 2009, adopted by the City-County Council on September 21, 2009). The City-County Council hereby finds that the aggregate annual PILOT does not exceed the amount of property taxes that would have been paid for each respective year with respect to the Tangible Property if the Tangible Property was not exempt from property taxation.

SECTION 29. All PILOT received by the City shall be deposited in the consolidated county fund and used for any purpose that the consolidated county fund may be used.

SECTION 30. In each year, the District shall pay PILOT on June 1 and December 1.

SECTION 31. Notwithstanding anything contained herein, PILOT may be paid with respect to the Wastewater Facilities only from the cash earnings of the facility remaining after provisions have been made to pay for current obligations, including: (a) operating and maintenance expenses; (b) payment of principal and interest on any bonded indebtedness; (c) depreciation or replacement fund expenses; (d) bond and interest sinking fund expenses; and (e) any other priority fund requirements required by law

or by any bond ordinance, resolution, indenture, contract, or similar instrument binding on the Wastewater Facilities.

SECTION 32. In the event that any date established for the payment of principal of or interest on the Bonds shall be in the city of such payment a Saturday, Sunday or a legal holiday or other day on which banking institutions are authorized by law to close, then any such payment of principal or interest may be made on the next succeeding business day with the same force and effect as if made on the established date.

SECTION 33. This Ordinance serves as the declaration of official intent of the City to reimburse preliminary expenses related to the Project, if any, from the proceeds of the Bonds pursuant to Indiana Code 5-1-14-6 and Treasury Regulation 1.150-2 promulgated pursuant to the Code.

SECTION 34. None of the proceeds from the sale of the bonds issued pursuant to this ordinance nor any of the PILOT payments contemplated to be received from the District as provided in this ordinance shall be used by any agency, department, division of the City of Indianapolis or Marion County or any of its Boards or commissions to provide any financial aid or assistance or subsidy to any professional sports team.

SECTION ~~34~~ 35. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION ~~35~~ 36. This Ordinance shall be in full force and effect from and upon compliance with the procedures required by law, and all ordinances in conflict herewith are hereby repealed to the extent of such conflict.

The foregoing was passed by the City-County Council this _____ day of _____, 2010, at _____ p.m.

ATTEST:

Ryan Vaughn
President, City-County Council

Melissa Thompson
Clerk, City-County Council

Presented by me to the Mayor this _____ day of _____, 2010, at 10:00 a.m.

Melissa Thompson
Clerk, City-County Council

Approved and signed by me this _____ day of _____, 2010.

Gregory A. Ballard, Mayor

EXHIBIT A

PILOT PAYMENT SCHEDULE

Year	Amount
2010	\$11,519,787
2011	\$13,038,566
2012	\$14,264,201
2013	\$14,874,669
2014	\$12,770,735
2015	\$17,168,014
2016	\$17,168,014
2017	\$19,520,181
2018	\$22,729,332
2019	\$25,647,129
2020	\$27,908,296
2021	\$28,739,159
2022	\$29,152,282
2023	\$29,444,917
2024	\$27,788,097
2025	\$26,095,838
2026	\$24,362,479
2027	\$22,851,006
2028	\$23,154,132
2029	\$23,485,461
2030	\$23,842,921
2031	\$24,221,728
2032	\$24,618,285
2033	\$25,031,974
2034	\$25,457,202
2035	\$25,889,899
2036	\$26,330,027
2037	\$26,777,638
2038	\$27,232,858
2039	\$27,695,816